MINUTES - REGULAR MEETING
SANTA MARIA CITY COUNCIL

CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA

AUGUST 15, 2017

INVOCATION:
Pastor Greg Burtnett gave the Invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Moats led the Pledge of Allegiance.

CALL TO ORDER:
Mayor Patino called the meeting to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino.

STAFF MEMBERS PRESENT
City Manager Haydon, City Attorney Trujillo, Director of Human Resources & Records Anderson, Fire Chief Champion, Police Chief Hansen, Director of Finance Harvey, Director of Public Works Kahn, Director of Community Development Ng, Director of Recreation & Parks Posada, Assistant City Manager Stilwell, and Chief Deputy City Clerk Garietz.

1. PROCLAMATIONS/COMMENDATIONS/PRESENTATIONS:

A. PRESENTATION – SPIRIT OF SANTA MARIA AWARD
Mayor Patino, along with Director of Recreation and Parks Posada, presented the All-America City Committee's 2017 Spirit of Santa Maria Award to the Elks Lodge #1538 and the Elks Recreation Foundation. Accepting the awards were Tony Dart representing the Elks Lodge #1538 and Scott Parsons representing the Elks Recreation Foundation. Recreation & Parks Commission Chair Burtnett and Commissioner Carey were present.

Mayor Patino read a statement in support of those enduring the recent violence in Charlottesville, Virginia, and emphasized the importance of supporting each other as a community.

2. PUBLIC COMMENT PERIOD
Ed Zoost spoke about the Bradley Road realignment, and the SMAT Route 7 asking if there would be pullouts for the bus route.

Ernest Armenta spoke about park permits, elected positions within the City, and the Central Coast Water Authority.

3. CONSENT CALENDAR:
Councilmember Moats requested that Item 3K be pulled for comment.

Item 3K - Assistance to Firefighters Grant (AFG)
Councilmember Moats congratulated the Fire Department on receiving a $1.08 million grant for the purchase of a new aerial ladder truck to replace their current truck.

Consent Calendar Items 3A through 3P were approved on motion by Councilmember Boysen, seconded by Councilmember Waterfield, and carried on the following vote: 5-0

AYES:	Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino
NOES:	None
ABSENT:	None
ABSTAIN:	None

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES
The Minutes of the regular Meeting of the City Council of August 1, 2017, were approved as submitted.

C. GRAND JURY REPORT – YOUTH SAFETY IN SANTA MARIA
The City Council approved staff's response to the Santa Barbara County Civil Grand Jury Report entitled *Youth Safety in Santa Maria;* and authorized the Mayor to sign and transmit the City's response to the Presiding Judge of the Superior Court, the County of Santa Barbara, and file a copy with the City Clerk's Office.

D. GRAND JURY REPORT – MANAGING REGIONAL WATER SUPPLIES
The City Council approved staff's response to the Santa Barbara County Civil Grand Jury Report entitled *Managing Regional Water Supplies;* and authorized the Mayor to sign and transmit the City's response to the Presiding Judge of the Superior Court, the County of Santa Barbara, and file a copy with the City Clerk's Office.

E. AMENDMENT TO AGREEMENT WITH MOTOROLA SOLUTIONS, INC.
Resolution No. 2017-100 was adopted approving an Amendment to the Communications System Agreement between the City of Santa Maria and Motorola Solutions, Inc.

Resolution No. 2017-100 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING AND DIRECTING THE CITY MANAGER TO AMEND THE EXISTING RADIO SYSTEM AGREEMENT WITH MOTOROLA SOLUTIONS, INC.

F. SANTA MARIA MUNICIPAL CODE TECHNICAL AMENDMENT – SHOPPING CARTS
Ordinance No. 2017-13 was adopted amending Title 12 of the Santa Maria Municipal Code adding Chapter 12-55 regarding shopping carts.

Ordinance No. 2017-13 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ADDING CHAPTER 12-55 OF THE SANTA MARIA MUNICIPAL CODE RELATING TO CONTAINMENT OF SHOPPING CARTS ON BUSINESS PREMISES.

G. JOINT AGREEMENT WITH THE SANTA BARBARA COUNTY HOME CONSORTIUM
Resolution No. 2017-101 was adopted approving the renewal of a Cooperation Agreement with the County of Santa Barbara for joint participation in the HOME Consortium for Fiscal Year 2018.

Resolution No. 2017-101 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE RENEWAL OF A COOPERATION AGREEMENT BETWEEN THE COUNTY OF SANTA BARBARA FOR THE SANTA BARBARA COUNTY HOME CONSORTIUM FOR THE FINAL YEAR OF THE THREE-YEAR CYCLE.

H. WARRANTS
Warrant Nos. 209126 to 209370 totaling $2,474,745.63 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Finance. Warrant No. 208321 was cancelled.

I. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Finance and having been approved for payment by the Director of Finance.

J. 2017-18 APPROPRIATION LIMIT
Resolution No. 2017-102 was adopted setting the City's Appropriation Limit (Gann Limit) for 2017-18 at $178,791,840 pursuant to Proposition 4.

Resolution No. 2017-102 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ESTABLISHING AN APPROPRIATION LIMIT FOR 2017-18.

K. ASSISTANCE TO FIREFIGHTERS GRANT AWARD FOR LADDER TRUCK PURCHASE
Resolution No. 2017-103 was adopted approving the acceptance of an Assistance to Firefighters Grant (AFG) Award for the purchase of an aerial ladder truck, and authorizing the Fire Chief to manage grant activities in accordance with the grant program.

Resolution No. 2017-103 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROPRIATING FUNDING UNDER THE DEPARTMENT OF HOMELAND SECURITY ASSISTANCE TO FIREFIGHTERS GRANT #EMW-2016-FV-01999.

L. NOTICE OF CONTRACT COMPLETION – WEST STOWELL IMPROVEMENTS
The City Council approve the Notice of Contract Completion for Bid No. 2015/07, West Stowell Improvements from Entrada to SR 135, and directed the Chief Deputy City Clerk to record the same.

M. PARK PERMITTING FOR COMMERCIAL AND CONCESSION ACTIVITIES
Ordinance No. 2017-14 was adopted amending Title 10 of the Santa Maria Municipal Code adding Chapter 10-5 establishing a commercial activity and concession permit process for City parks.

Ordinance No. 2017-14 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING.

N. GRANT APPLICATION TO CA STATE PARKS OUTDOOR EDUCATION PROGRAM
Resolution No. 2017-104 was adopted approving a grant application to the California State Parks Outdoor Environmental Education Facilities Grant Program for an outdoor observation deck and interpretive nature signage at Los Flores Ranch Park.

Resolution No. 2017-104 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE APPLICATION FOR AN OUTDOOR ENVIRONMENTAL EDUCATION FACILITIES GRANT.

O. SUPPLEMENTAL WATER RATE INCREASE TO NON-RESIDENTIAL CUSTOMERS
Resolution No. 2017-105 was adopted authorizing a rate increase for the sale of supplemental water to non-residential customers served by Golden State Water Company outside of the City of Santa Maria.

Resolution No. 2017-105 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING A RATE INCREASE FOR THE SALE OF SUPPLEMENTAL WATER TO NON-RESIDENTIAL CUSTOMERS SERVED BY GOLDEN STATE WATER COMPANY.

P. MICHAEL K. NUNLEY ASSOCIATES AGREEMENT FOR ENGINEERING DESIGN SERVICES
Resolution No. 2017-106 was adopted authorizing the Director of Utilities to enter into an agreement with Michael K. Nunley Associates, Inc., for engineering design services at the Wastewater Treatment Plant.

Resolution No. 2017-106 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING AND DIRECTING THE DIRECTOR OF UTILITIES TO ENTER INTO AN AGREEMENT WITH MICHAEL K. NUNLEY ASSOCIATES, INC. FOR ENGINEERING DESIGN SERVICES AT THE WASTEWATER TREATMENT PLANT.

4. APPOINTMENTS TO THE BLOCK GRANTS ADVISORY COMMITTEE.
Chief Deputy City Clerk Garietz gave a presentation as detailed in the Council Agenda Report. The Council was asked to make appointments to the Block Grants Advisory Committee.

Public Input
There were no requests to speak.

Block Grants Advisory Committee
With two (2) vacancies on the committee, applications were received from Cassandra Bennett, Kathy Hayes, Steve Lopez, Sharon McConnell, and Rosario Sagisi.

Mayor Patino nominated Rosario Sagisi.

Councilmember Waterfield indicated that she would like to postpone her nomination.

Mayor Patino accepted the nomination of Rosario Sagisi; and on motion by Mayor Patino to accept the nomination, seconded by Councilmember Waterfield, Ms. Sagisi was appointed to the Block Grants Advisory Committee to serve a term of three (3) years each ending in July 2020, and carried unanimously: 5-0

As Councilmember Waterfield postponed her nomination, staff will continue to advertise the remaining vacancy on the Block Grants Advisory Committee until filled.

5. CONCEPTUAL REVIEW OF PROPOSED SENIOR APARTMENTS AT 1141 WEST COX LANE.
The City Council considered a conceptual review of proposed senior apartments at 1141 West Cox Lane.

Laurie Tamura with Urban Planning Concepts spoke on behalf of the applicant, Joe Halsell and Halsell Builders. She indicated that the site was located near the northeast corner of Blosser Road and Cox Lane. The site is 1.3 acres with about 3,000 square feet of various structures and a single home on it. The proposal would be to rezone the site to (R-3) High Density Residential to allow for 30 single-unit

senior housing bungalows. Each unit would be a 550 square foot bungalow with one bedroom, a small kitchenette, living room, and handicapped accessible bathroom. The project would provide affordable senior housing in the north side of town and would be constructed by Halsell Builders. With Council's input, the applicant would like to go forward putting in an application to begin the project.

Councilmember Boysen asked if the buildings on the property were currently being used.

Ms. Tamura responded that there had previously been a horse ranch on the property.

Councilmember Cordero asked what types of transportation would be available to the senior residents.

Ms. Tamura responded that there would be an on-site manager to help coordinate transportation and that residents would have access to the SMOOTH and SMAT systems.

Councilmember Waterfield asked for clarification on parking availability and if there would be a sound wall on Blosser. She expressed concerns that the age requirement to reside in the units would start at 62 years, and that people that age would still be driving for many more years; therefore, additional parking would be needed for possibly two seniors per unit.

Ms. Tamura stated the applicant would be proposing 15 parking spaces. She also said there was currently a block wall on Blosser that may need to be raised. The backs of the units would back onto Blosser with small windows for ventilation and each unit would have solar panels for electricity.

Councilmember Moats asked how many tenants would be allowed and what the rent would cost. He also asked how many street entrances there would be to the property.

Ms. Tamura responded that each bungalow would allow for one to two residents. The rent would be determined by the applicant at a later date, and there was enough room to add a second access to the property, if needed.

Councilmember Boysen commented that the property seemed isolated and limited in parking and that all the surrounding property was R-1 zoning. He said he would be more comfortable if there were 20 parking spaces and asked if there was on-street parking.

Ms. Tamura replied that there was on-street parking on Cox Lane.

Applicant Joe Halsell assured the Council that residents would have services available to them. He stated his group had met with representatives from the Fire Department and that there would be two fire hydrants available: one on Joy and one on Cox eliminating the need for a turn-around driveway in the project. He added that his group had also been working with an affordable housing consultant and the units would be affordable with voluntary services, thus below market rate.

Councilmember Boysen expressed support for Halsell Builders working with an affordable housing consultant for the project.

Public input.
Ernest Armenta expressed concerns regarding placing senior housing near single family homes and possible conflicts arising from noise.

Council discussion.
There was a general consensus that the City Council liked the project, but were concerned about parking. It was suggested that the applicant consider increasing the parking availability.

6. FOURTH QUARTER FINANCIAL REPORT 2016-17.
The City Council considered the Quarterly Financial Report for the fourth quarter of 2016-2017. Director of Finance Harvey gave a presentation as detailed in the Council Agenda Report. The report focused primarily on the General Fund (including Measure U) and the Enterprise Funds. The beginning fund balance of $10.1 million was the final audited fund balance as of July 1, 2016. Four out of five primary revenue sources exceeded prior fiscal year receipts. Licenses, permits, and fees had the largest gain at $2.7 million (94 percent greater than the prior year). Construction permits associated with the Enos Ranch Development and Windset Farms Projects were the primary reason for this significant increase. Property tax revenue surpassed the prior year by $1.1 million. NHIS receipts totaled $1.6 million. However, NHIS excavation activities dropped significantly and are not expected to change much in the coming year.

Sales tax revenues were approximately three percent lower than the prior year, and is showing a steady decrease each year. However, the variance is a timing issue due to the end of the Triple Flip. Under the Triple Flip, one quarter of the City's sales tax revenues were retained by the State to guarantee their bond payments and, later in the year, the State reimbursed the City through property tax revenues that were meant for the schools. The Triple Flip ended in December of 2015; the final payment of $2.6 million was reported in June 2016 which means that this year's sales tax receipts were 100 percent of sales tax earned through June of this fiscal year as compared to 103 percent of sales tax reported in 2015-16. Had the triple flip not occurred, sales tax would have shown a quarter to quarter increase of 3.6 percent.

General Fund expenditures are at 95.6 percent of budget, and include $2.5 million in salary savings from various staff vacancies.

The previously anticipated $2.6 million transfer from the Local Economic Augmentation Fund (LEAF) may not be needed to maintain a General Fund balance of $10.1 million. It should be noted that LEAF reserves are intended to address severe shortfalls in revenue that are temporary in nature. The current reserve balance of $6.6 million in LEAF funds is not sufficient to mitigate the acceleration of ongoing pension and operating costs the City is facing.

Measure U revenues through the fourth quarter are at 98.7 percent or $4.3 million. Expenditures are at 99.9 percent or $4.4 million.

In the Enterprise Funds, the water/wastewater revenues exceed expenditures by $12.1 million. Revenues included State Water reimbursement fees of $2.6 million, and $1.6 million in one-time water sales to Montecito and Goleta. Expenditures included the semi-annual debt service payment of $4.6 million of principle and interest on the 2012AB Refunding Bonds.

Regarding the Solid Waste Fund, revenues exceeded expenditures by about $1.1 million. These numbers are unaudited, but do provide an overview of how the City ended the fiscal year.

Councilmember Moats asked if the City would receive more NHIS revenue because of the Tank Farm project in San Luis Obispo.

Finance Director Harvey responded it was possible; however, the project had started and then stopped so a determination could not be made at this time.

Public Input
Ernest Armenta commented that he did not understand the financial report, and asked for clarification on the City's financial crisis. He also commented that the City had not built new fire stations as promised and he suggested moving employees in Tier 1 of the retirement system to Tiers 2 and 3.

Council discussion
There was no Council discussion.

The Fourth Quarter Financial Report for 2016-17 was received and order filed with the office of the Chief Deputy City Clerk.

REPORT BY CITY MANAGER:
City Manager Haydon reported the next City Council meeting would be September 5, 2017, and would begin at its new regular start time of 5:30 p.m. Items on the agenda would include two proclamations; a countywide library agreement with Santa Barbara County; and the first reading of an ordinance amending the current massage ordinance.

City Manager Haydon addressed Mr. Armenta's question about the City's finances. In this current fiscal year, the City is facing a $5.6 million deficit. This is being addressed using $2.6 million in one-time financing. Staff positions are being kept vacant when they become open. This may allow for a salary savings of roughly $2 million. Operating expenses have been reduced by about $400,000, leaving about a $700,000 deficit which will be addressed when the City begins discussion with the employee bargaining groups. Regarding shifting 60 percent of employees from Tier 1 to Tier 2 or 3, the City is engaging with those in Sacramento to have those types of discussions with CalPERS to consider making the PEPRA requirements consistent with Tier 1 employees.

Mr. Haydon added that the City had built and staffed two fire stations in the last five years with Measure U funding. In addition, Oakley Park had been remodeled and Buena Vista Park was also being remodeled. Also, the damaged equipment at Armstrong Park is scheduled to be rehabilitated and/or replaced.

ORAL REPORTS OF COUNCILMEMBERS AND OFFICERS (INCLUDING AB1234 REPORTS):
Councilmember Boysen indicated that he did not have any AB1234 reports to disclose.

Councilmember Waterfield reported that she attended a LAFCO meeting; a Police Department swearing-in of a new officer; an SBCAG meeting; a 100-year birthday party; the Chamber of Commerce Annual Installation Dinner; a Habitat for Humanity event; and the Mayor's Task Force on Youth Safety Meeting.

Councilmember Moats reported that he attended the Chamber of Commerce Installation Dinner.

Councilmember Cordero reported that he attended the Police Department swearing-in of a new officer and the Mayor's Task Force on Youth Safety Meeting.

Mayor Patino reported that she attended the Police Department swearing-in of a new officer and the Mayor's Task Force on Youth Safety Meeting. She also reminded everyone of the new start time of 5:30 p.m. for the next Council meeting.

ADJOURNMENT:
There being no further business before the City Council, Mayor Patino declared the City Council meeting adjourned at 7:31 p.m.

APPROVED:

September 5, 2017
Date

Rhonda M. Garietz, CMC
Chief Deputy City Clerk and ex officio Clerk of the City Council

Alice M. Patino
Mayor of the City of Santa Maria

ATTEST:

Rhonda M. Garietz, CMC
Chief Deputy City Clerk

SEAL OF THE CITY OF SANTA MARIA INCORPORATED SEPTEMBER 12, 1905 CALIFORNIA